

A-E CONTRACTING BULLETIN 98-03, 6 MAR 98

SUBJECT: A-E CONTRACTING TIME STANDARDS

1. The attached memorandum, signed by the Directors of Civil Works and Military Programs on 5 March 1998, eliminates all reporting to HQUSACE on compliance with the A-E contracting time standards in ER 715-1-20, Architect-Engineer Contracting. (Reporting of indefinite delivery contracts (IDC) was already eliminated by a similar memorandum on 17 June 1997.) The time standards reports no longer provide a meaningful indicator of how well we are serving our customers as explained in the enclosure to the memorandum.

2. The time standards will remain in ER 715-1-20 as internal performance benchmarks. Also, since most projects are now performed by IDC task orders, we will establish time standards for task orders when ER 715-1-20 is updated. But, no reporting to HQUSACE will be required.

DON EVICK, HQUSACE, CEMP-EC
A-E CONTRACTING PROGRAM MANAGER
202-761-1053/FAX-4783



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CEMP-EC/CECW-EP (715)

05 MAR 1993

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS


SUBJECT: Time Standards for Architect-Engineer (A-E) Contracts

1. Reference memorandum, CEMP-EC/CECW-EP, 17 June 1997, subject as above.
2. We have decided to eliminate all reporting to HQUSACE on compliance with the A-E contracting time standards in ER 715-1-20, Architect-Engineer Contracting. (Reporting of indefinite delivery contracts (IDC) was already eliminated by the referenced memorandum.) ER 715-1-20 will be revised accordingly later. As explained in the enclosure, the time standards report no longer provides a meaningful indicator of how well we are serving our customers. One primary reason the report is not meaningful is that most USACE projects are now performed using IDC task orders, which are not covered by the time standards. Hence, we will establish time standards for task orders when ER 715-1-20 is next updated, but reporting will not be required.
3. Although reporting to HQUSACE on the time standards will no longer be required, timely and efficient A-E contracting remains an important performance objective. Prompt award of A-E contracts and task orders is an essential element of providing quality services to our customers, and commands must continually work to improve their A-E contracting process. Hence, the time standards remain in effect as internal performance benchmarks and MSCs may require any reporting they feel is warranted to ensure that districts have efficient and responsive A-E contracting processes.
4. This memorandum has been coordinated with the Office of the Principal Assistant Responsible for Contracting. Please distribute this memorandum to Engineering, Contracting and other organizations involved in A-E contracting in your command. HQUSACE point of contact is Donald R. Evick, P.E., CEMP-EC, 202-761-1053.

FOR THE COMMANDER:

Encl


RUSSELL L. FUHRMAN
Major General, USA
Director of Civil Works


MILTON HUNTER
Major General, USA
Director of Military Programs

CF:
District Commanders

ARCHITECT-ENGINEER CONTRACT TIME STANDARDS REPORTING

Time standards for the award of architect-engineer (A-E) contracts were initially established in February 1991 by ER 715-1-15, Time Standards for the A-E Acquisition Process. The time standards were a response to criticism from our customers that the Corps took too long to award A-E contracts and hence, start the design of their projects. ER 715-1-15 was revised in August 1994 to simplify the standards and make them more realistic, allow justifiable delays and change the reporting method. ER 715-1-15 was superseded by ER 715-1-20, Architect-Engineer Contracting, in March 1997, which slightly revised the time standards, yet maintained the requirement for annual compliance reporting.

The time standards have had a positive impact on streamlining the A-E contracting process throughout USACE over the last seven years. However, the time standards reports no longer provide a meaningful indicator of how well USACE is serving its customers. Accordingly, in a joint memorandum of 17 June 1997, the Directors of Civil Works and Military Programs eliminated the requirement for reporting of time standards compliance for indefinite delivery contracts (IDCs). The rationale stated in the memorandum was as follows:

"Nearly three-fourths of our A-E contracts are now IDCs. Strict compliance with the time standards for all IDCs is not a direct measure of program execution or customer satisfaction. Most IDCs are not time-sensitive and their procurement can be scheduled well in advance. Further, forcing the award of an IDC to comply with the time standards does not always make good management sense."

Reporting of compliance with the time standards for project-specific contracts (generally fixed-price contracts) should also now be eliminated for the following reasons:

1. The great majority of USACE projects are now being very efficiently accomplished by IDC task orders, which are not covered by the time standards¹, instead of by project-specific contracts, which are presently measured by the standards. Specifically, the ratio is about 20 task orders to each project-specific contract. The use of a task order typically saves 3-4 months on project initiation time compared to soliciting, negotiating and awarding a separate contract. Hence, only a very small fraction of our work is reflected in the current time standards report.

¹ Reporting of award times for task orders would be impractical and burdensome due to the magnitude of the number of orders and the lack of a defined starting point.

Enclosure

2. The time standards do not reflect the time savings of the advance selection process, which was authorized in 1994. About one-third of the project-specific contracts (28 of 86) awarded in FY97 used this process, which permits the announcement and selection of a list of A-E firms for a specific type of project (such as barracks or flood protection) prior to receiving authorization for any projects of that type. This method saves about 3 months compared to starting the announcement and selection process when a project is received, which does not show up in the time standards report.

3. The time standards do not reflect total project initiation time for two reasons. First, the standards begin with the Commerce Business Daily announcement, hence excluding the acquisition planning process prior to the announcement. This can vary from one to six months, depending on the clarity and complexity of the scope and criteria, funding availability, small business clearance, customer approval of the project management plan, and other factors which the district does not directly control. Second, measurement of the standards excludes justifiable delays which are beyond the reasonable control of a district (such as funding delays and major scope changes). In FY97, 70 percent of the project-specific contracts had justifiable delays averaging 151 days. Hence, the time standards reporting only reflects a minor portion of the total project initiation time, and is not a meaningful indicator of customer service.

4. Since most districts principally use IDCs, the reporting of project-specific contracts monitors the performance of only a minority of the districts and centers. Specifically, only 40% of the districts and centers reported using project-specific A-E contracts, and one-half of those reported only 1-3 contracts.

5. If only the performance of project-specific contracts is monitored, districts may tend to use IDC task orders when project-specific contracts may be more appropriate to avoid reporting and oversight.

In summary, for the above reasons as well as the reporting burden on the field, time standards reporting should be eliminated. However, the time standards should still be maintained as internal performance benchmarks for districts to assess the efficiency of their A-E acquisition process. Also, time standards for IDC task orders should be established since this is the predominant A-E contracting tool.